

Historic, Archive Document

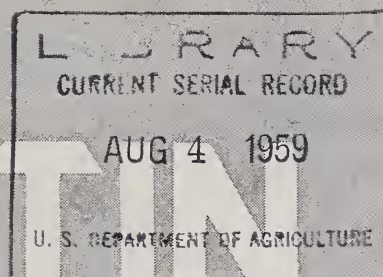
Do not assume content reflects current scientific knowledge, policies, or practices.

A 280.38
M34C
Copr THE

Frank W. Taylor
MARKET ADMINISTRATOR

Market Administrator's

BULLETIN



Published at 79 East State Street, Columbus 15, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

April, 1959

Vol. 15. No. 4

USDA Continues Dairy Support Prices For Another Year

The U. S. Department of Agriculture has announced that current dollars-and-cents support prices for manufacturing milk and butterfat will be continued through the 1959-60 marketing year which began on April 1.

The support prices are being continued at \$3.06 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat.

In carrying out the program to support prices of milk and butterfat sold by farmers, USDA as in the past will offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities.

The 1959 support rates are about 77 percent of both the parity equivalent price for manufacturing milk and the parity price for butterfat, based on March parity prices as announced Feb. 27.

In making the announcement, Secretary of Agriculture Ezra Taft Benson said:

"By law, the Secretary of Agriculture must before the beginning of the marketing year (presently April 1) set a level of price supports that will 'assure an adequate supply'.

"During 1958, milk production was reduced by some 700 million pounds. Milk cow numbers as of Jan. 1, 1959 were down 2.8 percent from a year earlier.

The number of milk cows on farms is expected to decline still further in 1959 but not at as rapid a rate as in 1958.

"With a rise in our population and a significant increase in cheese consumption and little per capita change in the use of other products, total commercial use of milk products increased in 1958 over 1957. As a result and since milk output declined, CCC outlays for price support purchases of dairy products are down substantially.

"We have moved into consumption the reduced acquisitions. Our uncommitted supplies are as follows in comparison with last year:

UNCOMMITTED SUPPLIES (million pounds)

| | Butter | Cheese | Non-Fat Dry Milk |
|---------|--------|--------|---------------------|
| 2/28/59 | 28.5 | 6.5 | 49.3 |
| 2/28/58 | 55.9 | 143.3 | 31.4 |

"1959 production is not expected to be significantly different from 1957 or 1958 levels. Increased consumer incomes are in prospect, and commercial use of milk products per person is expected to be at least as large as in 1958. With the rise in population, supply and the commercial use of milk products — measured on a fat basis — is expected to be more

(Continued on page four)

FARMERS' MILK SALES REACHED RECORD IN 1958

Major trends in farmers' disposition of the milk which they produce continued throughout 1958. Use of milk in households on farms where milk is produced has been cut in half in the last two decades and probably declined around 1 billion pounds in 1958, as it did in the preceding year. Consequently, farmers sold a slightly larger quantity of milk in 1958 than the 113.2 billion pounds of 1957, despite a reduction in farm output of milk of around .7 billion pounds. At the same time there was a further significant shift in the composition of farmers' sales of milk. The actual volume of milk sold in whole form has increased each year since 1948, and in 1958 was approximately 100 billion pounds, compared with the previous record of 98.6 in 1957. Sales of farm-separated cream, on the other hand, declined from 34 billion pounds in 1941 to 12 billion pounds in 1957, and evidently declined further in 1958. This shift means that farmers sold a larger proportion of the total milk solids produced. The average price per hundredweight of milk equivalent invariably is higher when sold in whole form than when sold as farm-skimmed cream.

In all probability the trends indicated above will continue through 1959, and therefore probably will give a new record high in sales of milk products by farmers.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

| | |
|--|--|
| Producers' Uniform Price (3.5%) | |
| Producers' Uniform Price (4%) | |
| Class I (3.5%) | |
| Class II (3.5%) | |
| Class III (3.5%) | |
| Class IV (3.5%) | |
| Producer Butterfat Differential for each 1/10% | |

UTILIZATION SUMMARY

| | |
|---|--|
| Percent of Producer Milk in Class I | |
| " " " B.F. " " I | |
| " " " Milk " " II | |
| " " " B.F. " " II | |
| " " " Milk " " III | |
| " " " B.F. " " III | |
| " " " Milk " " IV | |
| " " " B.F. " " IV | |

PRODUCTION SUMMARY

| | |
|---|--|
| Total Pounds of Producer Milk Delivered | |
| Average Daily Class I Producer Milk | |
| Total Number of Producers | |
| Average Daily Production per Producer | |
| Average Butterfat Test | |
| Total Value of Producer Milk at Test | |
| Income per Producer (7 Day Average) | |

GROSS CLASS USE (Pounds)

| | |
|--------------------|--|
| Class I Skim | |
| " I B.F. | |
| " I Milk | |
| " II Skim | |
| " II B.F. | |
| " II Milk | |

AVERAGE DAILY SALES (Quarts)

| | |
|------------------|--|
| Milk | |
| Buttermilk | |
| Chocolate | |
| Skim | |
| Cream | |

| March 1959 | Feb. 1959 | March 1958 |
|----------------|----------------|----------------|
| \$4.28 | \$4.34 | \$4.34 |
| 4.64 | 4.70 | 4.695 |
| 4.394 | 4.44 | 4.493 |
| 3.994 | 4.04 | 4.093 |
| 3.894 | 3.94 | 3.993 |
| 2.871 | 2.869 | 3.070 |
| 7.2¢ | 7.2¢ | 7.1¢ |
| 85.2 | 86.4 | 80.9 |
| 82.3 | 82.2 | 78.9 |
| 10.2 | 10.7 | 10.1 |
| 3.1 | 3.1 | 2.6 |
| 1.2 | .8 | 3.9 |
| 3.3 | 3.0 | 3.6 |
| 3.4 | 2.1 | 5.1 |
| 11.3 | 11.7 | 14.9 |
| 24,683,556 | 21,909,063 | 25,204,863 |
| 678,507 | 676,374 | 657,784 |
| 1,687 | 1,689 | 1,833 |
| 472 | 463 | 444 |
| 3.81 | 3.85 | 3.78 |
| \$1,111,665.19 | \$1,006,507.14 | \$1,145,132.08 |
| \$148.80 | \$148.98 | \$141.07 |
| 20,261,013 | 18,244,360 | 19,789,623 |
| 772,713 | 694,124 | 753,274 |
| 21,033,726 | 18,938,484 | 20,542,897 |
| 2,610,592 | 2,343,045 | 2,586,839 |
| 29,171 | 25,890 | 24,914 |
| 2,639,763 | 2,368,935 | 2,611,753 |
| 266,078 | 274,936 | 265,337 |
| 4,977 | 5,056 | 5,422 |
| 13,740 | 14,603 | 13,331 |
| 10,800 | 11,080 | 9,399 |
| 7,935 | 8,025 | 7,501 |

* Fall Production Payment 55¢ per cwt. additional

COMPARATIVE STATISTICS ★

COLUMBUS MARKETING AREA

★ **MAR., 1950-59**

| Year | Receipts from Producers | Average Butter- fat Test | Percentage of Producer Milk in Each Class | | | | Uniform Producer Price (3.5%) | Class prices at 3.5% | | | | Number of Producers | Daily Average Production |
|------|-------------------------------|-----------------------------------|--|-------------|--------------|-------------|--|----------------------|-------------|--------------|-------------|---------------------------|--------------------------------|
| | | | Class I | Class II | Class III | Class IV | | Class I | Class II | Class III | Class IV | | |
| 1950 | 18,017,620 | 4.16 | 72.9 | 19.8 | 7.3 | — | 3.80 | 3.969 | 3.569 | 2.993 | — | 2,416 | 241 |
| 1951 | 18,199,660 | 4.04 | 75.5 | 21.8 | 2.7 | — | 4.81 | 4.975 | 3.576 | 3.387 | — | 2,136 | 275 |
| 1952 | 18,411,883 | 4.03 | 78.5 | 17.6 | 3.9 | — | 4.89 | 5.038 | 4.638 | 3.857 | — | 2,111 | 281 |
| 1953 | 22,331,834 | 3.98 | 72.0 | 20.0 | 8.0 | — | 4.47 | 4.676 | 4.276 | 3.599 | — | 2,237 | 322 |
| 1954 | 24,837,916 | 3.97 | 69.0 | 14.9 | 16.1 | — | 4.06 | 4.303 | 3.903 | 3.427 | — | 2,214 | 362 |
| 1955 | 24,673,521 | 3.88 | 73.4 | 9.6 | 8.3 | 8.7 | 4.00 | 4.228 | 3.828 | 3.828 | 3.152 | 2,110 | 377 |
| 1956 | 26,122,629 | 3.85 | 73.1 | 10.8 | 8.0 | 8.1 | 3.97 | 4.20 | 3.80 | 3.80 | 3.124 | 2,069 | 407 |
| 1957 | 24,561,765 | 3.77 | 83.6 | 10.8 | 2.8 | 2.8 | 4.46 | 4.566 | 4.166 | 4.066 | 3.063 | 1,918 | 413 |
| 1958 | 25,204,863 | 3.78 | 80.9 | 10.1 | 3.9 | 5.1 | 4.34 | 4.493 | 4.093 | 3.993 | 3.070 | 1,833 | 444 |
| 1959 | 24,683,556 | 3.81 | 85.2 | 10.2 | 1.2 | 3.4 | 4.28 | 4.394 | 3.994 | 3.894 | 2.871 | 1,687 | 472 |

**Milk Production Likely
to Increase Little in 1959**

While the number of milk cows has been declining steadily, the rate of milk production per cow has been increasing to successively new high records. As a result, total production of milk on farms increased each year from 1952 to 1957 when it reached 125.9 billion pounds. The largest gain was 6 billion pounds from 1952 to 1953. Although the rate per cow increased to a record high of 6,330 pounds in 1958, the drop in numbers of cows resulted in a slight decline in milk output in 1958 to 125.2 billion pounds. This was nevertheless the third highest on record.

The number of milk cows probably will continue to decline slightly in most years for the foreseeable future, but there appears to be no letup to the increase in milk production per cow. Over the past two decades, in fact, the increase in output has been accelerated. In successive 5-year periods beginning with 1935-39, production per cow increased 2.4 percent, 5.7 percent, 7.4 percent 8.9 percent. For the 4 years 1955-58, the increase was 11.2 percent. This upward trend in production per cow is partly due to larger productive capacity and increased quantities of feed concentrates supplied to dairy animals. Also contributing has been the shift to larger herds, where the cows usually receive better care than those in herds kept on a part-time, or side-line, basis.

**USDA Issues Amended Milk Order
for Columbus Marketing Area**

An amended Federal marketing order regulating the handling of milk in the Columbus, Ohio, area went into effect April 1, the U. S. Department of Agriculture has announced.

In a recent referendum, 99.7 percent of the area producers voting approved issuance of the amended order, which is based on evidence received at a public hearing in Columbus in May, 1958.

Major changes include the following:

1. The marketing area is expanded to include all portions of Franklin County not previously included, all of Delaware County, most of Fairfield County, and portions of Licking, Madison, and Union Counties.

2. Payments to a cooperative association for the milk of its producer-members will be channeled through the market administrator payments to producers not members of a cooperative may be channeled through the administrator at the discretion of the handler.

3. Fall incentive payments will be included in the uniform price paid to producers.

4. Class prices will be announced for milk of 3.5 percent butterfat content, and Class I and Class II prices will be announced a month earlier than previously.

5. For Class I, II, and III milk, butterfat differentials will be reduced and skim milk values will be increased.

6. The supply-demand adjustment will be realigned seasonally.

7. Class I milk will now include that used in eggnog and prepared milk shake mixes.

8. Nonpool plants which pay dairy farmers less than minimum order prices will be required to make compensatory payments on Class I milk distributed in the marketing area.

The entire order is revised to include a number of new definitions and to incorporate a number of clarifying and conforming changes.

**Slight Change Occurred in Milk
Use Pattern During Past Year**

The first preliminary data on milk utilization will not become available until mid-April. Based on data concerning factory production of individual products, however, some general conclusions may be drawn at this time. Use of milk increased from 1957 to 1958 in only two products, cheese other than American, and ice cream. The total used in these products was about 4 percent greater than in 1957. The increase for these products, however, was more than offset by reductions in use of milk for making butter, American cheese and evaporated milk. As a result, the total amount of milk used in making factory products declined from 1957.

RETURN POSTAGE
GUARANTEED

THE
Market
Administrators
BULLETIN

USDA Continues Dairy Support Prices for Another Year

(Continued from page one)

nearly in balance than in several years. (However, we still expect some surplus of non-fat dry milk solids.)

"In arriving at a decision, I have consulted with producer groups, farm leaders interested in dairying, and the CCC Advisory Board.

"Based on analyses by our dairy technicians, it would appear that retention of the present support levels is desirable to provide the level of production with the margin of safety to 'assure an adequate supply'. Therefore, I am maintaining the 1959 marketing year support levels for butterfat and manufacturing milk at the same dollar and cents levels as for 1958.

"The dairy industry provides one of the most important sources of cash income for our farmers — about 14 percent of cash receipts from marketing in 1958. I believe its future is bright. Each morning there are 8,000 new customers for its products.

"For good nutrition we need to consume more dairy products. We will do everything feasible to cooperate with this great industry to promote and merchandise its products. We will, of course, continue to assist the dairy industry in every sound way to expand its markets, reduce costs and help it build on a firmer foundation."

Market Quotations

March
1959

| | |
|---|---------|
| 12 MIDWEST CONDENSERIES 3.5% per Cwt. | \$3.014 |
| 5 CONDENSERIES (Cincinnati) 3.5% per Cwt. | 2.9050 |
| 5 CONDENSERIES (North Central Ohio) 3.5% per Cwt. | 2.925 |
| 2 CONDENSERIES (Toledo) 3.5% per Cwt. | 2.838 |
| 4 CONDENSERIES (Tri-State) 3.5% per Cwt. | 3.000 |
| Evaporated Milk Code Price, 3.5% per Cwt. | 2.748 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati) | 2.9929 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) | 2.994 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton) | 3.018 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State) | 2.892 |
| Average Weekly Cheddars price per lb. | .3175 |
| Average price per lb. non-fat dry milk solids, roller process delivered Chicago | .1355 |
| Average price per lb. 92-score butter at Chicago (Equivalent Price)..... | .57750 |
| Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant | .1272 |

Feed Prices in March Near Level of a Year Ago

Prices of feed grains and byproduct feeds in March generally averaged near the level for March, 1958. Prices of feed grains have been comparatively stable since January though there has been some strengthening in corn prices. In late March, corn prices at Chicago were a little higher than a year earlier, while market prices of oats and barley were a little lower. Corn prices are not expected to advance during the next few months as they did in 1958 and probably will average lower during April-September this year than last. Prices of oats, barley and sorghum grain also may average somewhat lower this spring and summer than last. Another favorable growing season and the lower support rates for the 1959 crops would be expected

to result in at least the usual seasonal decline in prices of these three grains at harvest time.

Prices of high-protein feed were generally higher this past winter than in the same period of 1957-58. A number of these feeds have been declining in recent months and in late March soybean meal, meat meal and tankage had dropped below a year earlier. Prices of these feeds during the next few months probably will continue below the same period of 1958 when they were at the highest level in recent years. The price of cottonseed meal remained a little higher than a year earlier in late March, while linseed meal was much higher. Alfalfa meal prices have advanced sharply in the past year, averaging 50 percent higher in the last half of March than a year ago.